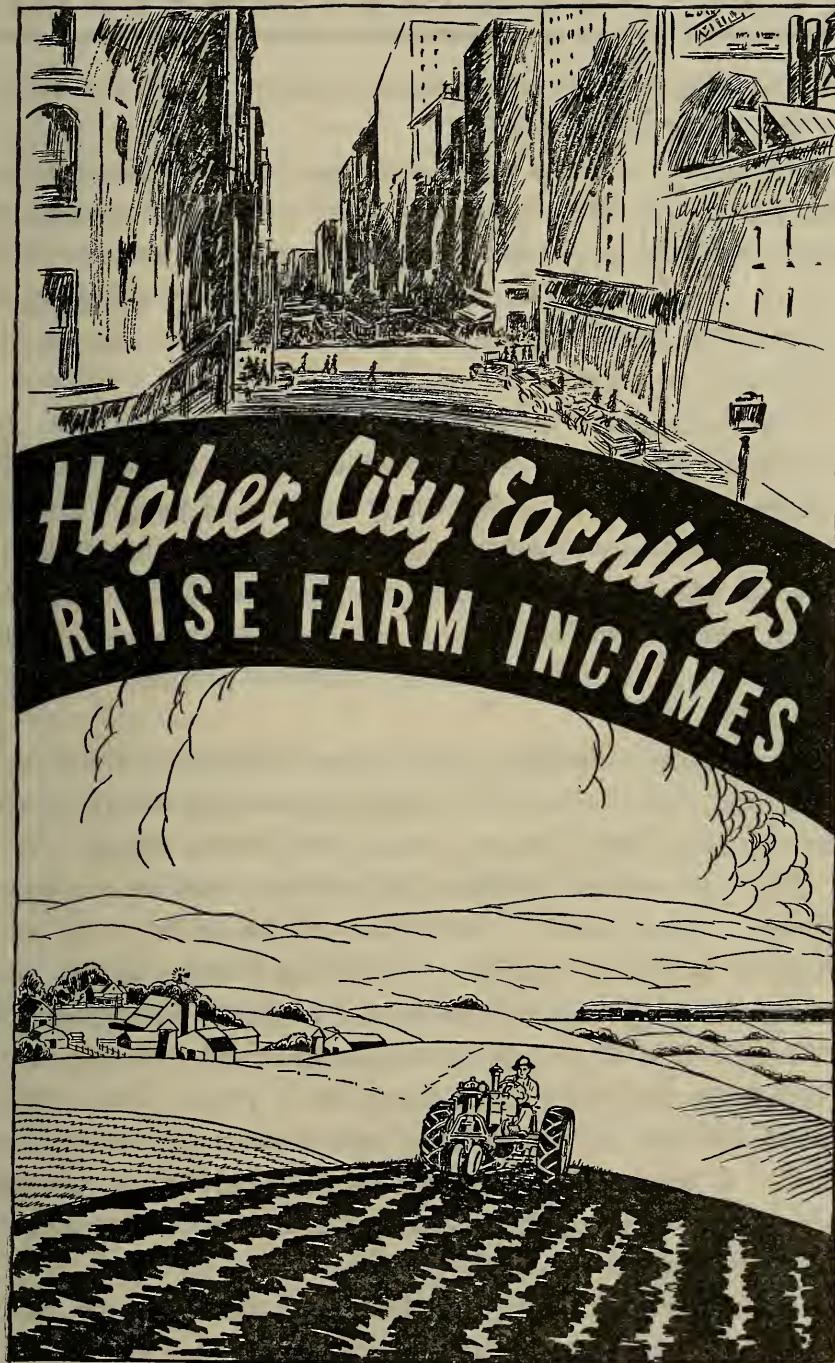


L.32.2:Ex 7



★ H I G H E R C I T Y E A R N I N G S

The long arm of war has already reached into the pockets of the American farmer.

Foreign countries, once the best customers for his surplus, have been shut off one by one. Even before the invasion of the Low Countries and France, the farmer had lost one-fifth of his export trade, excluding cotton. Peace, assuming a Nazified Europe with high walls to keep out American goods, will bring no relief.

The complaint of a farm surplus will probably grow. It is a strange complaint in a land which is often called the richest on earth, but in which many millions of people almost never get enough to eat from one year's end to the other.

What can be done to solve the problem of this surplus? What can be done to increase the farmer's income? What can be done to get the hungry millions properly fed and clothed?

First, farmers and their families must themselves be well fed.

Second, farmers must find a better market for their produce among their fellow citizens who do not live on farms.

The vast majority of America's nonfarm families are wage earners. They work in factories—textile mills, shoe and clothing factories, canning and packing plants—and in the transportation, communication, and wholesale industries.

One-third of all American families and single individuals in 1935-36 had to live on less than \$780 a year.¹ They could spend for food on the average only 6 cents per person per meal. If they could have spent 8, or 9, or 10 cents a meal per person, hundreds of millions of dollars would have been added to farmers' incomes.

When earnings of city workers rise, farm incomes also go up. Secretary of Agriculture Henry A. Wallace recently

¹ Report of National Resources Committee, 1938.

R A I S E F A R M I N C O M E S ★

pointed out that in 1929, when pay rolls were 12 billion dollars a year, farmers' incomes also totaled about 12 billion dollars. During the depression farm incomes and pay rolls went down together until in 1932 both stood at about 5 billion dollars for the year. By the end of 1939, both had climbed back to a level of between 8 and 9 billion dollars.

Farmers' incomes and industrial pay rolls rise and fall together!

The Wage and Hour Law helps farmers by requiring employers (if engaged in interstate commerce or in the production of goods for interstate commerce) to pay their workers not less than 30 cents² an hour for their work. In 1939 many millions of dollars were added to workers' incomes. Also, in 1939 cash farm income totaled half a billion dollars more than the year before, when there was no Wage and Hour Law.

Some farmers have feared that wage increases for certain kinds of workers, especially those employed in processing agricultural commodities, would mean lower incomes for the growers of those commodities. That didn't happen in 1939. A survey made by the United States Department of Labor of canning factories in eight States showed that if all the employees of such plants earning less than 30 cents an hour had been raised to that figure, the increases would have amounted to only three-fourths of 1 percent in the cannery's total costs—such a negligible increase that it should not be passed on to the consumer.

Secretary Wallace also said: "I think the Wage and Hour Law is a decided benefit to farmers * * *. Changes in the ability of consumers to buy have much greater effects on

² For the greater part of 1939 the minimum wage was 25 cents. The 30-cent rate did not become effective until October 24.

farm prices than do marketing costs * * *. If profits are increased at the expense of pay rolls, farmers suffer along with labor. A very large share of the pay received by those with low incomes goes to buy food and clothing. Workers receiving 30 cents an hour or less spend almost half their incomes for food and clothing. If their pay is cut, half of that cut must come out of their expenditures for farm products."

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NOTE.—Under the Wage and Hour Law all labor employed by a farmer on the farm in conjunction with or incidental to farming operations is exempt from both the minimum wage and maximum hour provisions. In addition, many thousands of employees working on farm products in cotton gins, grain elevators, dairies, fruit and vegetable packing plants and similar establishments are exempt from either the hour requirements or from both the minimum wage and maximum hour requirements.

For further information as to how the Wage and Hour Law affects you, write to the Wage and Hour Division, United States Department of Labor, Washington, D. C., or to any of the Division's regional or branch offices.

UNITED STATES DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION